OVERVIEW

The CCHIP establishes the guidelines for issuing and controlling payments to research study subjects for their participation in either internally or externally funded USF System research projects. It details and differentiates the payment alternatives available to Principal Investigators and the associated requirements of each method. The University is responsible for compliance with Internal Revenue Service (IRS) requirements for taxpayer identification information reporting. Current IRS regulations require that cumulative annual payments greater than $600 to an individual be reported and special reporting rules apply to employees or nonresident aliens (NRAs). It is the responsibility of the researcher or designee to determine if the research study subject is an employee or nonresident. In complying with this reporting requirement, the University has established a threshold for the collection of taxpayer identification information for non-University employees and non-NRAs. If a single study subject payment exceeds $75 or cumulative study subject payments to an individual during a calendar year are expected to exceed $300, taxpayer identification information should be obtained and kept on file for possible reporting. If the study subject is a University employee or NRA, regardless of the amount of the payment, taxpayer information must be collected and payment information must be reported to the University payroll department.

DEFINITIONS

Research Study Subjects – Individuals who agree to participate in a research study funded either internally or externally (sponsored) and who will receive payment for their participation as allowed by the programmatic guidelines and approved by the funding agency. These individuals agree to participate in a research project by signing an informed consent document which includes the method and amount of compensation. Their participation does not, in and of itself, constitute an employee-employer relationship, consultant relationship, or service provider relationship.

Chart Field – The individual components, or fields, that when combined make up the Chart Field String, which defines the accounting structure.

Nonresident Alien (NRA) – An alien is any individual who is not a U.S. citizen or U.S. National. A nonresident alien is an alien who has not been granted permanent residency or is not classified as a resident alien for tax purposes.

CLARIFICATION OR CHANGE

The University supports various alternative methods of providing research study subject payments. The following variables should be considered in choosing a payment method:

- Confidentiality
- Nature and subject matter of the study
- Dollar amount and time period of payments
- Variability in the number of payments and number of study subjects
- Location of the study
- Method of payment delivery (cash and/or gift cards should not be mailed)
- University relationship with study subject (employee or student)

Regardless of the payment method used, in order to compensate research study subjects, the Principal
Investigator must obtain prior approval from the Institutional Review Board (IRB) and USF Research & Innovation (USFRI) before requesting a check through Accounts Payable or purchase a gift card with a PCard.

Payment Alternatives and Descriptions

1. University check through Accounts Payable

   The University strongly recommends the use of USF checks when compensating research subjects. Although this method may require incremental administrative effort, it substantially reduces the risk of loss or misappropriation of funds.

   The University has identified one employee in Accounts Payable to process Study Subject Payments. This individual has received necessary confidentiality and privacy training as prescribed by the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule.

2. Cash acquired after receiving a Faculty Research Advance via Accounts Payable

   Research that involves a very high number of low dollar payments to non-employees or for which payments via check are impractical may request permission to use this program (e.g. where research subjects are unable to negotiate checks). This is the least desirable option and should not be used unless USFRI and the University Controller’s Office (UCO) grant an exception. Once approval is obtained, the accounting procedures and internal control requirements are identical to those for gift cards.

3. Gift cards purchased via University Purchasing Card

   The distribution of gift cards to research subjects in exchange for participation in a research study may be appropriate based on the perceived preference of the recipient population. Gift cards are considered “cash or cash equivalents” and are subject to the University’s internal control guidelines for Safeguarding and Accounting for Petty Cash. When using gift cards, USF is still required to report tax information as previously described (see Overview) because the Internal Revenue Service (IRS) considers gift cards monetary in nature.

Procedures

1. University check through Accounts Payable

   A. The Accountable Officer or designee on the research project shall submit a signed request to enable research study payments, include a copy of the Grant Budget Release (GBR) form, the IRB approval letter and compensation page from the protocol to USFRI at least 5 business days in advance of the date when funds are needed. Upon approval by USFRI, the form will be forwarded to aphelp@usf.edu for processing.

   B. Accounts Payable (AP) has established a dedicated fax line for research subject payment requests. Payee information should be transmitted to AP using a Payment Request form, which requires approval by the Accountable Officer and USFRI and must include documentation of the source of funds (e.g., departmental, RIA, C&G), the IRB approval letter and compensation page from the protocol. For vendor setup purposes, taxpayer identification numbers and permanent addresses must be provided with the first payment request to each study subject. The payment will be processed using a central source of funds that is designated for study subject payments. This will preclude association of the payee to a particular research study. The payment requests will be imaged in a secure section of the document imaging system and access will be limited.
C. On a monthly basis, journal entries are created by an AP Accountant to transfer the study subject expenses from the central source of funds to the sponsored project. These entries are processed as lump sum entries to further protect the privacy of study subjects.

2. Faculty Research Advance via Accounts Payable

A. The Accountable Officer on the research project shall submit a signed Research Advance Request Form, include a copy of the Grant Budget Release (GBR) form, the IRB approval letter and compensation page from the protocol to Ms. Sharon Jacobs in USFRI via email at sjacobs2@usf.edu at least 5 business days in advance of the date when funds are needed. The advance should not exceed the amount of funds that will be needed over a reasonable period of time, generally 30 days. Research Advance Requests for cash to purchase gift cards are no longer allowed. The use of a PCard to purchase gift cards is strongly encouraged.

B. USFRI will review the terms and guidelines of the research project, the budget and IRB approval letter and compensation page from the protocol to ensure that the study subject payments are allowable. Upon USFRI approval, the Research Advance Request Form will be forwarded to the Accounts Payable (AP) department. AP will process the advance and mail it to the researcher. Upon request, checks may be picked up at the University Controller’s Office (UCO). Checks will be made payable only to the Principal Investigator or Co-Investigator, who is then responsible for cashing the check.

C. The researcher or department representative must complete a journal entry by no later than 60 days after the issue date of the check in order to clear the Research Advance from the University’s financial records. Any remaining cash from the Research Advance must be deposited at the cashier’s office and accounted for using a miscellaneous deposit form by no later than 60 days after the issue date of the check. In the event of an extenuating circumstance that would result in the researcher or department being unable to meet the required 60-day turnaround time, a memorandum from the researcher describing the need for an exemption to the required 60-day deadline must demonstrate the circumstance as being an unusual and infrequent occurrence and must accompany the Research Advance form for review and approval by USFRI.

D. During the research project, the researcher will maintain a study subject log to include the amount distributed, which will support the recognition of study subject expenditures on the sponsored project from the research advance. To further protect the privacy of study subjects, the log should use a unique anonymous identifier for the study subjects, which may be used to cross-reference back to the study subject’s taxpayer identification information, as necessary.

E. If the study subjects are University employees or NRAs who are recipients of the study subject payments, the payments must be reported to University Payroll using the Study Subject Payments to Employees Reporting Form for tax reporting purposes.

F. For all other study subject payments, follow the 1099 procedures for reporting cash payments.

3. University Purchasing Card (PCard)
A. The Accountable Officer on the research project or designee shall use the PCard to buy gift cards after completing a request for gift card purchase template. The request must be accompanied by a copy of the Grant Budget Release, IRB approval letter and compensation page from the protocol and approved by USFRI to verify that gift cards are an allowable purchase. Upon approval by USFRI, the form is forwarded to pcard@usf.edu for processing.

B. When reconciling the PCard transaction for the initial purchase of the gift cards, special care should be taken to enter correct and allowable chartfield values. Alternate chartfield configurations will cause combo-edit failures in the PCard module.

   a. If the expense will be charged to a project fund (20XXX, 21XXX, or 22XXX), Account Code 10620 (Gift Cards on Hand) should be used if not distributed immediately, along with the appropriate Operating Unit, PC Business Unit, Project and Activity ID. The Department ID, Product and Initiative should be left blank. If the gift cards will be distributed immediately upon purchase, Account Code 51125 should be used along with the appropriate project chartfield string.

   b. If the expense will be charged to an RIA, Account Code 10620 (Gift Cards on Hand) should be used if not distributed immediately, along with the appropriate fund (183XX) and Operating Unit. Other chartfields, including Initiative, should be left blank. If the gift cards will be distributed immediately upon purchase, Account Code 51125 should be used along with the appropriate project chartfield string.

   c. Once the gift cards have been purchased, guidelines 2(c) through 2(e) above apply, and petty cash control procedures should be followed.

   d. After distribution of the planned study subject payments have occurred, the researcher or department representative must complete a journal entry to expense the gift cards by no later than 30 days after distribution to the study subject.

   e. Any gift cards not utilized and are to be held in excess of 30 days after the anticipated need must be inventoried and emailed to sjacobs2@usf.edu to receive approval by USFRI to retain.

RELATED PROCEDURES
University PCard Reconciliation Manual
Please address your comments or questions regarding this CCHIP to Sponsored Research at Compliance.

AGENCY GUIDELINES
Not Applicable

EFFECTIVE DATE
This CCHIP is effective as of the date of revision and rescinds all previous versions pertaining to Accounting for Payments to Research Study Subjects.

ISSUED: July 19, 2010
LAST REVISION: February 22, 2016